created the crushing capacity two years ago.

SHRI PRANAB MUKHERJEE: I did not create it. The economy created it.

DR. MURLI MANOHAR JOSHI: This economy created it.... (*interruptions*)....Whatever it is, please bear with me....(*Interruptions*)...

SHRI PRANAB MUKHERJEE: There is no contradiction and this is a fact of life.

DR. MURLI MANOHAR JOSHI: You say that it is not being utilised and therefore, you are exporting the seeds. If the seeds are available and the crushing capacity is available, why is it not being utilised here? You are exporting it and people are losing jobs.

SHRI PRANAB MUKHERJEE: Crushing capacity is there for the raw material. But the market is not there.

DR. MURLI MANOHAR JOSHI: Please let me finish. You say that it is because of shortage of demand that castor oil seeds are not being crushed here. How can we create the demand? Crush it and export it. Finally, if there was no such demand, the private sector would not expand its crushing capacity. Therefore, there appears to be a very serious lacuna in the planning concerning oil-seeds. You are saying that you are exporting it because you are getting a good price and that I think is incorrect. What is correct is that you are exporting it as a raw material under the reformed economic policy where raw materials are to be exported and not the value-added goods. This is something which clearly points out the bad effects of the economic policy which you are pursuing, particularly, on the import and export front.

SHRI PRANAB MUKHERJEE: Sir, I am not going to discuss the policy here. The Question Hour is not meant for discussing policies. I am just answering questions on the basis of facts. The hard cold fact is that there are so many contradictions in the economy that nobody can deny it. Therefore, this capacity was created over the years and it was not created overnight. And, capacities which have been created in many areas sometimes remain unutilised in every economy of the world and, moreover, ours is not a totally controlled economy. Let us, therefore, not go into that aspect. And, there is no contradiction either in my answers or in the fact of the case.

MR. CHAIRMAN: Question No. 64.

*64. **[The questioner (Shri Satya Prakash Malaviya) was absent. For answer, vide Col. 38 infra.]**

Trade Agreement with Czech Republic

*65. SHRI G. PRATHAPA REDDY:
DR. SHRIKANT RAM-CHANDRA JICHKAR:†

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government have recently negotiated a trade agreement with the Czech Republic;

(b) if so, the nature of the agreement;

(c) the specific advantages which India will get due to the agreement; and

(d) how would this agreement compare in the background of the Dunkel proposals?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED): (a) to (d) A Statement is laid on the Table of the House.

†The question was actually asked on the floor of the House by Dr. Shrikant Ram Chandra Jichkar.

Statement

(a) Yes, Sir, the Agreement on Trade and Economic Cooperation between India and the Czech Republic was signed on 15 March, 1993.

(b) The following are the salient features of the Agreement:

(i) promotion of bilateral trade and economic cooperation on a long term and stable basis;

(ii) mutual Most-Favoured-Nation treatment;

(iii) all payments in freely convertible currencies;

(iv) counter trade and other internationally recognised forms of business cooperation;

(v) promotion of cooperation in a wide range of economic activities, including joint ventures;

(c) It is in the nature of a bilateral framework agreement, which is not aimed at any specific advantages, but formalises the necessary understanding for development of bilateral trade as well as economic cooperation. The Agreement essentially substituted the earlier agreement providing for trade on Rupee payment basis, which became unsuitable in the context of the major restructuring of the political and economic systems in the Czech Republic, as well as our own economic reforms.

The Agreement incorporates provisions for mutual Most-Favoured-Nation treatment which are in line with our trade policy in the context of the General Agreement on Trade Tariffs. The final agreement on the Dunkel proposal has no bearing in the context of this Agreement.

DR. SHRIKANT RAMCHANDRA JICHKAR: Sir, it was reported that under this Agreement on Trade and Economic Cooperation, two agreements were signed, but this has not been mentioned in this reply: one is avoidance of double taxation and another is investment protection. And the report which appeared in the *Hindustan Times* on 9th February also says that India is more interested in infrastructure development. Will the Minister please explain as to what the avoidance of double taxation means and in what areas of infrastructure development and investment protection India is more interested under this agreement?

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE): Sir, unfortunately, the question is addressed to the wrong person. About double taxation agreement, the hon. Member will have to get the answer from the Finance Ministry and the question relating to investment guarantee will have to be addressed to the Industry Ministry. I can answer only on the trade agreement.

MR. CHAIRMAN: You put your second supplementary.

DR. SHRIKANT RAMCHANDRA JICHKAR: I will put my second supplementary. But, sir, the report says that it was a part of the Agreement on Trade and Economic Cooperation. These two agreements were a part of the General Agreement on Trade and Economic Cooperation. . . .

SHRI PRANAB MUKERJEE: No.

DR. SHRIKANT RAMCHANDRA JICHKAR: Anyway, my second supplementary is this. The Minister has mentioned about the promotion of bilateral trade and economic co-operation. Now, I want to know as to what the commodities on which this bilateral trade agreement was signed are. Does this pertain to the earlier commodities with respect to which trade was already going on or have some new and additional commodities been brought into the ambit of this bilateral trade agreement?

SHRI PRANAB MUKHERJEE: Sir, the background of this agreement is that our trade relations with Czechoslovakia was governed by the agreement which we

entered into with that country when it was a composite State. After it split into different States, we had to enter into an agreement with each of them separately. And, during the visit of a Minister of that country last year, I did enter into an agreement with him. There have been some changes in the pattern and content of the trade also. Earlier, it was a controlled economy; the entire international trade was controlled by the Government itself. Now there have been some changes in their system and there are changes in our system as well. Therefore, now, we are not identifying, as we used to do earlier with the socialist countries, in the protocol, in the agreement, the large number of items which will be exchanged between our countries. The third angle was, of course, that there was a non-convertible rupee agreement. Now this was also to be changed, namely, from rupee payment we had to go in for freely convertible exchange arrangement. So, these changes were introduced in the trade agreement. So far as our imports from that country are concerned, basically, we import machinery, steel products, chemicals, industrial parts. And we export traditional items like textiles, gems and jewelleries, certain types of chemicals and certain types of engineering goods. So, these are our exports to that country. But, as per this present arrangement, it will be between the traders of these two countries who will exchange goods freely.

MR. CHAIRMAN: Q.No. 66.

Plans of Privatisation of Collieries

*66. SHRI G.G. SWELL:
SHRI CHIMANBHAI MEHTA:†

Will the Minister of COAL be pleased to state:

(a) what are the details of privatisation plans of Collieries including foreign capital participation;

(b) why privatisation is planned for;

(c) what are the results if acted upon;

(d) the details of new technologies being applied in mining in the country;

(e) whether out of date safety measure were responsible for the recent mining disaster in West Bengal;

(f) what is the production of coal of various grades and import during the last three years;

(g) what is the quantum of capital required for total modernisation plan of collieries and the amount provided for in the Eighth Five Year Plan and envisaged contribution from private sector including foreign investment; and

(h) what is the estimated deposit of coal and the rate of its exploration?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI AJIT KUMAR PANJA): (a) to (h) A statement is laid on the Table of the House.

Statement

(a) to (c) Considering the need to augment coal supplies for additional power generation and to create additional capacity during the Eighth Plan, Government have taken a decision to allow private sector participation in the coal mining for captive purposes.

Coal Mines (Nationalisation) Act, 1973 has accordingly been amended w.e.f. 9.6.1993 to allow private sector participation in coal mining for purposes of generation of power, and for other end uses to be notified in addition to existing provision for iron and steel. It includes foreign participation subject to fulfilment

†The question was actually asked on the floor of the House by Shri Chimanbhai Mehta..